

FISCAL NOTE

HB 295 - SB 1235

February 13, 2001

SUMMARY OF BILL:

- Authorizes any county to impose a tax on transfers of real property at a rate equal to the rate of the transfer tax currently levied by the state, 37 cents per \$100 of recorded value.
- Requires approval by a two-thirds vote of the county legislative body at two consecutive regularly scheduled meetings.
- Counties can levy a realty transfer tax or an adequate facilities tax but not both.
- Establishes a maximum value limit for tax purposes of \$5,000,000.
- County registers are entitled to retain 2½ % of taxes levied for collecting and reporting taxes, as well as \$1.00 fee for issuing a receipt for taxes.
- Provides for an effective date of July 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Revenues - Exceeds \$1,000,000 / Permissive

Increase Local Govt. Expenditures - Not Significant / permissive

Estimate assumes:

- the total increase in local government revenues would depend on the number of counties that adopt a realty transfer tax. This number cannot be determined, but it can be reasonably estimated enough counties would adopt a realty transfer tax to generate more than \$1,000,000 in additional local government revenues.
- any increase in local government expenses to administer a realty transfer tax would be not significant and would be offset by the 2½ % commission and the \$1.00 fee that county registers may charge.

For information purposes, the total amount of revenue collected by the state in FY99-00 from the state realty transfer tax at 37 cents per \$100 of recorded value was approximately \$72,500,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 295 - SB 1235